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A335
R88L

REA Form 792
(5-53)

LINE CONSTRUCTION CONTRACT

FOR CONSTRUCTION ACCOUNTED FOR UNDER WORK-ORDER
PROCEDURE (LABOR ONLY) FOR RURAL ELECTRIC SYS-
TEMS FINANCED UNDER PROVISIONS OF THE RURAL ELEC-
TRIFICATION ACT OF 1936 AS AMENDED



U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

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LINE CONSTRUCTION CONTRACT

(For Construction Accounted for under Work Order Procedure--Labor Only)

PROPOSAL

TO:

817979

(hereinafter called the "Owner").

ARTICLE I--GENERAL

Section 1--Offer To Construct. The undersigned (hereinafter called the "Contractor") hereby proposes to construct, with materials furnished by the Owner, the rural electric project financed by a loan to the Owner by the United States of America, acting through the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"), and designated Rural Electrification Project _____ (hereinafter called the "Project") in strict accordance with the Specifications and Construction Drawings therefor, attached hereto and made a part hereof. The Contractor understands and agrees that the Project will consist of approximately the construction described in the Specifications for Construction under scope of this Proposal located within the area served or ultimately to be served by the Owner: Provided, however, that the exact location and scope of individual sections of the Project (hereinafter called "Sections") will be made known to the Contractor from time to time as provided in Article II, Section 1 hereof; and provided further that the Contractor shall not be obligated to start construction of any Section unless:

- a. At least _____ miles are available to the Contractor for construction in accordance with Article II, Section 1 hereof, including mileage previously released for construction but not yet completed, and
- b. The information for such construction required to be furnished by the Owner pursuant to Article II, Section 1 hereof, shall have been furnished theretofore.

Section 2--Proposal on Unit Basis. The Contractor understands and agrees that the various Units considered in this Proposal are as set out in the Description of Units attached hereto and made a part hereof, that the Proposal is made on a Unit basis and that the Owner may specify, as provided in Article II, Section 1 hereof, any number or combination of Units which the Owner, with the approval of the Administrator, may deem necessary for the construction of the Project. If kinds of Units for which prices are not established in this Proposal are necessary for the construction of the Project, the prices of such additional Units shall be as agreed upon by the Owner and the Contractor, with the approval of the Administrator, prior to the time of installation.

The unit prices herein set forth are applicable to work performed on unenergized lines. Such unit prices shall be increased by _____ (____) percent for all units installed on energized lines in accordance with instructions of the Owner, as provided in Article II, Section 1g.

Section 3--Description of Contract. The Description of Construction Units, Specifications for Construction, and Construction Drawings are hereby by reference incorporated herein and together with the Proposal and Acceptance constitute the Contract.

Section 4--Familiarity with Conditions. The Contractor acknowledges that it has made a careful examination of the site of the Project and of the Plans, Specifications, Construction Drawings, Description of Assembly Units, and form of Contractor's bond on file with Secretary of the Owner and with the Engineer and has become informed as to the location and nature of the proposed construction, the transportation facilities, the kind and character of soil and terrain to be encountered, the kind of equipment, tools, and other facilities required before and during the construction of the Project and has become acquainted with the availability status of materials to be furnished by the Owner and with the labor conditions which would affect work on the proposed construction.

Section 5--License. The Contractor warrants that it possesses Contractor's License No. _____ for the State of _____ in which the Project is located, and said license expires on _____, 19__.

Section 6--The Contractor agrees that in the event this Proposal is accepted it will make available for use in connection with the proposed construction:

- a. All necessary tools and equipment.
- b. Qualified superintendent(s) and foremen.

Section 7--The Contractor warrants that it possesses adequate financial resources for the performance of the work covered by this Proposal.

Section 8--The Contractor agrees to make such changes in construction previously installed in the Project by the Contractor as required by the Owner on the following basis:

The cost of labor shall be the reasonable cost thereof but in no event shall it exceed two (2) times the actual cost to the Contractor of the direct labor, as shown on a certified copy of his pay roll, employed in making the change. Such reasonable cost shall be in lieu of any other payment for the installation and removal of the original unit but shall not include the cost of the installation, if any, of a new or replacing unit, payment for which shall be made at the unit price as quoted in the Proposal.

No payment shall be made to the Contractor for materials or labor involved in correcting errors or omissions on the part of the Contractor which result in construction not in accordance with the Plans and Specifications.

ARTICLE II--CONSTRUCTION

Section 1--Time and Manner of Work. The Contractor agrees to be prepared to commence the construction of the Project within fifteen (15) calendar days after written notice by the Administrator of the approval of the construction contract. The Contractor agrees to commence construction of a Section within _____ (____) days after receipt in writing from the Owner of the following:

- a. Location of the Section and the location and number of the various Units required for construction of the Section (hereinafter called the "staking sheets").
- b. Itemized list of the materials required for the construction of the Section and an authorization by the Owner for the Contractor to obtain such materials from the Owner's warehouse located at _____.
- c. A schedule showing the rate at which construction of the Section shall proceed and the total number of calendar days (excluding Saturdays, Sundays and legal holidays) to be allowed for completion; provided, however, that the required completion time for any Section shall not be less than _____ (____) days or _____ (____) days per mile of line, whichever is the greater, which days shall be calendar days (excluding Saturdays, Sundays and legal holidays).
- d. A statement that all required easements and rights-of-way have been obtained from the owners of the properties across which the Project is to be constructed (including tenants who may reasonably be expected to object to such construction).
- e. A statement that all necessary staking has been completed.
- f. A statement that all necessary funds for prompt payment for the construction of the Project will be available.
- g. Specific instructions as to location and extent of work to be performed on energized lines, if any.

The Contractor will not be required to dig holes, set poles, or install anchors if there are more than six (6) inches of frost in the ground nor to perform any construction on such days when in the judgment of the Engineer snow, rain, or wind or the results of snow, rain, or frost make it impracticable to perform any operation of construction and to the extent of the time lost due to the conditions described herein and approved in writing by the Engineer, the time of completion set out above will be extended. The time for completion shall be extended for a period of any reasonable delay (other than a delay resulting from the failure of the Contractor to secure sufficient labor) which is due exclusively to causes beyond the control and without the fault of the Contractor including acts of God, fires, floods, direction of the Engineer to cease construction as herein provided, and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible: Provided, however, that no such extension of time for completion shall be granted the Contractor unless within ten (10) days after the happening of any event relied upon by the Contractor for such an extension of time the Contractor shall have made a request therefor in writing to the Owner, and provided further that no delay in such time of completion or in the progress of the work which results from any of the above causes or from any changes in construction which may be made pursuant to Section 2 of this Article II shall result in any liability on the part of the Owner.

Section 2--Changes in Construction. The Owner, acting through the Engineer and with the approval of the Administrator, may, from time to time during the progress of the construction of the Project,

make such changes in, additions to, or subtractions from the Plans, Specifications, and Construction Drawings, which are part of the Contractor's Proposal as conditions may warrant: Provided, however, that if any substantial change in the construction to be done shall require an extension of time, a reasonable extension will be granted if the Contractor shall make a written request therefor to the Owner within ten (10) days after any such change is made. And provided further, that if the cost to the Contractor shall be materially increased by any such change or addition, the Owner shall pay the Contractor for the reasonable cost thereof in accordance with a construction contract amendment signed by the Owner and the Contractor and approved by the Administrator, but no claim for additional compensation for any such change or addition will be considered unless the Contractor shall have made a written request therefor to the Owner prior to the commencement of work in connection with such change or addition.

Section 3--Supervision and Inspection.

- a. The Contractor shall cause the construction work on the Project to receive constant supervision by a competent superintendent (hereinafter called the "Superintendent") who shall be present at all times during working hours where construction is being carried on. The Contractor shall also employ, in connection with the construction of the Project, capable, experienced, and reliable foremen and such skilled workmen as may be required for the various classes of work to be performed. Directions and instructions given to the Superintendent by the Engineer shall be binding upon the Contractor.
- b. The Owner reserves the right to require the removal from the Project of any employee of the Contractor if in the judgment of the Engineer such removal shall be necessary in order to protect the interest of the Owner. The Engineer or the Supervisor, if any, shall have the right to require the Contractor to increase the number of his employees and to increase or change the amount or kind of tools and equipment if at any time the progress of the work shall be unsatisfactory to the Engineer or Supervisor; but the failure of the Engineer or Supervisor to give any such directions shall not relieve the Contractor of his obligations to complete the work within the time and in the manner specified in this Proposal.
- c. The manner of performance of the work, and all equipment used therein, shall be subject to the inspection, tests, and approval of the Owner and the Administrator. The Owner and the Administrator shall have the right to inspect all payrolls and other data and records of the Contractor relevant to the work. The Contractor will provide all reasonable facilities necessary for such inspection and tests and shall maintain an office at the site of the Project, with telephone service where obtainable, and at least one office employee to whom directions and instructions of the Engineer may be delivered. Delivery of such directions or instructions in writing to the employee of the Contractor at such office shall constitute delivery to the Contractor.

The Contractor shall have an authorized agent accompany the inspector when final inspection is made and, if requested by the Owner, when any other inspection is made.
- d. In the event that the Owner or the Administrator shall determine that the construction contains or may contain numerous defects, it shall be the duty of the Contractor to have an inspection made by an engineer approved by the Owner and the Administrator for the purpose of determining the exact nature, extent, and location of such defects.
- e. The Engineer shall have the authority to suspend the work wholly or in part for such period or periods as the Engineer may deem necessary due to unsuitable weather or such other conditions as are considered unfavorable for the satisfactory prosecution of the work or because of the failure of the Contractor to comply with any of the provisions of the Contract: Provided, however, That the Contractor shall not suspend work pursuant to this provision without written authority from the Engineer to so do. The time of completion hereinabove set forth shall be increased by the number of days of any such suspension, except when such suspension is due to the failure of the Contractor to comply with any of the provisions of this Contract. In the event that work is suspended by the Contractor with the consent of the Engineer, the Contractor before resuming work shall give the Engineer at least twenty-four (24) hours' notice thereof in writing.

Section 4--Defective Workmanship. The acceptance of any workmanship by the Owner shall not preclude the subsequent rejection thereof if such workmanship shall be found to be defective after installation, and any such workmanship found defective before final acceptance of the work or within one (1) year after completion shall be remedied or replaced, as the case may be, by and at the expense of the Contractor. In the event of failure by the Contractor so to do, the Owner may remedy such defective workmanship and in such event the Contractor shall pay to the Owner the cost and expense thereof. The Contractor shall not be entitled to any payment hereunder so long as any defective workmanship, in respect of the Project, of which the Contractor shall have had notice, shall not have been remedied or replaced, as the case may be.

Section 5--Materials. At or prior to the commencement of construction, the Owner shall make available to the Contractor all materials which the Owner has at the site of the Project and from time to time as additional deliveries of materials, if any, are received by the Owner, the Owner shall make such materials available to the Contractor: Provided, however, That the Contractor or his authorized representative will give to the Owner a receipt in such form as the Owner shall approve for all materials furnished by the Owner to the Contractor for the Project. Upon completion of construction of the Project the Contractor will return to the Owner all materials, including usable materials as well as scrap, furnished by the Owner in excess of those required for the construction of the Project as determined from the Final Inventory certified by the Engineer and approved by the Owner and the Administrator. The Contractor will reimburse the Owner at the invoice cost to the Owner for loss or breakage of materials furnished by the Owner to the Contractor.

Section 6--Term of Contract. It is understood and agreed that, notwithstanding any other provisions of this Contract, the Contractor will not be required to commence any construction after _____ (____) days after approval of this Contract by the Administrator.

ARTICLE III--PAYMENT

Section 1--Payments to Contractor.

- a. Within the first fifteen (15) days of each calendar month, the Owner shall make partial payment to the Contractor for construction accomplished during the preceding calendar month on the basis of completed Construction Units furnished and certified to by the Contractor and approved by the Engineer solely for the purpose of payment: Provided, however, That such approval by the Engineer shall not be deemed approval of the workmanship or materials. Only ninety percent (90%) of each such estimate approved during the construction of the Project shall be paid by the Owner to the Contractor prior to completion of the Project. Upon completion by the Contractor of the construction of the Project, the Engineer will prepare a Final Inventory of the Project showing the total number and character of Assembly Units and, after checking such Inventory with the Contractor, will certify it to the Administrator, together with a certificate of the total cost of the construction performed. Upon the approval of such certificates by the Administrator, the Owner shall make payment to the Contractor of all amounts to which the Contractor shall be entitled thereunder which shall not have been paid. No payment shall be due while the Contractor is in default in respect of any of the provisions of this Contract and the Owner may withhold from the Contractor the amount of any claim by a third party against either the Contractor or the Owner based upon an alleged failure of the Contractor to perform the work hereunder in accordance with the provisions of this Contract.
- b. The Contractor shall be paid on the basis of the number of Construction Units actually installed at the direction of the Engineer, as shown by the Inventory based on the Engineer's staking sheets, which shall be subject to approval by the Administrator: Provided, however, That the total cost shall not exceed the maximum Contract price for the construction of the Project as computed from the Proposal, unless such excess shall have been approved in writing by the Administrator. It is understood and agreed that this maximum Contract price is _____ dollars (\$_____). Subject to the above proviso it is agreed that the number of such units may be greater or less than the estimated number based upon the Plans and Specifications and the size of the Project as originally contemplated, and the Contractor shall not be entitled to any claim for damages on account of any reasonable additions to or subtractions from the Project, or of any delay occasioned thereby, or of any changes in the routing of the lines.
- c. Notwithstanding the provisions of Section 1 (a) above, the Contractor may, by giving written notice thereof to the Owner, elect to receive payment in full for any Section of the Project upon:
 - (1) Completion of construction of such Section as certified by the Engineer and approved by the Administrator;
 - (2) Submission to the Owner and the Administrator of the releases of lien and the affidavit referred to in Section 2 hereof;
 - (3) Approval by the Administrator of the Final Inventory in respect of such Section; and
 - (4) Submission to the Owner and to the Administrator of the consent in writing by the Surety or Sureties on the Contractor's Bond to payment in full for such Section prior to completion of the Project.
- d. Interest at the rate of six percent (6%) per annum shall be paid by the Owner to the Contractor on all unpaid balances due on monthly estimates, commencing fifteen (15) days after the due date, and on the final payment for the Project or any completed Section thereof, commencing thirty (30) days after the due date; provided the delay in payment beyond the due date is not caused by any condition within the control of the Contractor.

Section 2--Release of Liens. Upon the completion by the Contractor of the construction of the Project (or any Section thereof if the Contractor shall elect to receive payment in full for any Section when completed as provided above) but prior to payment to the Contractor of any amount in excess of 90 percent (90%) of the total cost of all Construction Units comprising the completed Project or such Section as certified by the Engineer, the Contractor shall deliver to the Owner, in duplicate, releases of all liens and of rights to claim any lien, in a form satisfactory to the Owner from all subcontractors furnishing services for the Project or such Section and an affidavit in a form satisfactory to the Owner to the effect that all labor used on or for the Project or such Section has been paid and that all such releases have been submitted to the Owner; and the Owner shall deliver to the Administrator for the Administrator's approval one of the duplicates of each such release and affidavit.

ARTICLE IV--PARTICULAR UNDERTAKINGS OF THE CONTRACTOR

Section 1--Protection to Persons and Property. The Contractor shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of Federal, State, and Municipal safety laws and building and construction codes. All machinery and equipment and other physical hazards shall be guarded in accordance with the "Manual of Accident Prevention in Construction" of the Associated General Contractors of America unless such instructions are incompatible with Federal, State, or Municipal laws or regulations.

The following provisions shall not limit the generality of the above requirements:

- a. The Contractor shall at no time and under no circumstances cause or permit any employee of the Contractor to perform any work upon energized lines, or upon poles carrying energized lines, unless otherwise specified in accordance with Article II, Section 1, subsection g.
- b. The Contractor shall so conduct the construction of the Project as to cause the least possible obstruction of public highways.
- c. The Contractor shall provide and maintain all such guard lights and other protection for the public as may be required by applicable statutes, ordinances, and regulations or by local conditions.
- d. The Contractor shall do all things necessary or expedient properly to protect any and all parallel, converging, and intersecting lines, joint line poles, highways, and any and all property of others from damage, and in the event that any such parallel converging and intersecting lines, joint line poles, highways, or other property are damaged in the course of the construction of the Project the Contractor shall at its own expense restore any or all of such damaged property immediately to as good a state as before such damage occurred.
- e. Where the right-of-way of the Project traverses cultivated lands, the Contractor shall limit the movement of his crews and equipment so as to cause as little damage as possible to crops, orchards, or property and shall endeavor to avoid marring the lands. All fences which are necessarily opened or moved during the construction of the Project shall be replaced in as good condition as they were found and precautions shall be taken to prevent the escape of livestock. The Contractor shall not be responsible for loss of or damage to crops, orchards, or property (other than livestock) on the right-of-way necessarily incident to the construction of the Project and not caused by negligence or inefficient operation of the Contractor. The Contractor shall be responsible for all other loss of or damage to crops, orchards, or property, whether on or off the right-of-way, and for all loss of or damage to livestock caused by the construction of the Project.
- f. The Project, from the commencement of work to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided shall be under the charge and control of the Contractor and during such period of control by the Contractor all risks in connection with the construction of the Project and the materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Contractor by reason of any act of God or other casualty or cause whether or not the same shall have occurred by reason of the Contractor's negligence. The Contractor shall hold the Owner harmless from any and all claims for injuries to persons or for damage to property happening by reason of any negligence on the part of the Contractor or any of the Contractor's agents or employees during the control by the Contractor of the Project or any part thereof.
- g. Any and all excess earth, rock, debris, underbrush, and other useless material shall be removed by the Contractor from the site of the Project as rapidly as practicable as the work progresses.

- h. Upon violation by the Contractor of any of the provisions of this section, after written notice of such violation given to the Contractor by the Engineer or the Owner the Contractor shall immediately correct such violation. Upon failure of the Contractor so to do the Owner may correct such violation at the Contractor's expense.
- i. The Contractor shall submit to the Owner monthly reports in duplicate of all accidents, giving such data as may be prescribed by the Engineer.
- j. The Contractor shall not proceed with the cutting of trees or clearing of right-of-way without written notification from the Engineer that proper authorization has been received from the owner of the property, and the Contractor shall promptly notify the Engineer whenever any landowner objects to the trimming or felling of any trees or the performance of any other work on his land in connection with the Project and shall obtain the consent in writing of the Engineer before proceeding in any such case.

Section 2--Insurance. The Contractor shall take out and maintain throughout the construction period insurance in the following minimum requirements:

- a. Workmen's compensation insurance covering all employees in statutory limits who perform any of the obligations assumed by the Contractor under the Proposal.
- b. Public liability and property damage liability insurance covering all operations under the Proposal; limits for bodily injury or death not less than \$50,000 for one person and \$100,000 for each accident; for property damage, not less than \$10,000 for each accident and \$25,000 aggregate for accidents during the policy period.
- c. Automobile liability insurance on all self-propelled vehicles used in connection with the contract, whether owned, nonowned, or hired; public liability limits of not less than \$50,000 for one person and \$100,000 for each accident; property damage limit of \$5,000 for each accident.

The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in subsections b and c of this Section. In any such event, the additional premium or premiums payable solely as the result of such additional insurance shall be added to the contract price.

Upon request by the Administrator, the Contractor shall furnish to the Administrator a certificate in such form as the Administrator may prescribe evidencing compliance with the foregoing requirements.

Section 3--Bond. The Contractor, will furnish to the Owner a bond in a penal sum not less than the contract price and in the form attached hereto with a Surety or Sureties listed by the United States Treasury Department as acceptable sureties. In the event that the Surety or Sureties on the performance bond delivered to the Owner contemporaneously with the execution of the Proposal or on any bond or bonds delivered in substitution therefor or in addition thereto shall at any time become unsatisfactory to the Owner or the Administrator, the Bidder agrees to deliver to the Owner another or an additional bond.

Section 4--Delivery of Possession and Control to the Owner. Upon written request of the Owner, the Contractor will deliver to the Owner full possession and control of any Section provided the Contractor shall have been paid at least ninety percent (90%) of the cost of construction of such Section. Upon such delivery of possession and control of any Section to the Owner, the risks and obligations of the Contractor as set forth in Section 1 f of this Article IV with respect to such Sections so delivered to the Owner, shall be terminated: Provided, however, That nothing herein contained shall relieve the Contractor of any liability with respect to defective workmanship as contained in Article II, Section 4.

Section 5--Energizing the Project. Prior to completion of the Project, the Owner, on written notice to the Contractor, may test the construction thereof by temporarily energizing any Section or Sections thereof. During the period of such test, the Section or Sections of the Project so energized shall be considered as within the possession and control of the Owner and governed by the provisions of Section 4 of this Article IV. The Owner shall have the right to energize permanently any Sections of the Project delivered to its possession and control pursuant to the provisions of Section 4 of this Article IV.

ARTICLE V--REMEDIES

Section 1--Completion on Contractor's Default. If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this Proposal, the Owner, without in any

manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor a written notice requiring the Contractor to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Contractor such default shall be corrected or arrangements for the correction thereof, satisfactory to both the Owner and the Administrator, shall be made by the Contractor, the Owner may take over the construction of the Project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the contract price occasioned thereby. In such event the Owner may take possession of and utilize, in completing the construction of the Project, any materials, tools, supplies, equipment, appliances, and plant belonging to the Contractor or any of its subcontractors, which may be situated at the site of the Project. The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Proposal and for such purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims, and demands.

Section 2--Liquidated Damages. The time of the completion of the Project is of the essence of the contract to be effected by acceptance of this Proposal. Should the Contractor neglect, refuse, or fail to complete the Sections or any of them within the time herein set forth, then, in that event and in view of the difficulty of estimating with exactness damages caused by such delay, the Owner shall have the right to deduct from and retain out of such monies as may be then due or may become due and payable to the Contractor, the sum of _____ dollars (\$ _____) per day for each and every day that such completion is delayed beyond the specified time, as liquidated damages and not as a penalty. If the amount due and to become due from the Owner to the Contractor is insufficient to pay in full any such liquidated damages, the Contractor shall pay to the Owner the amount necessary to effect such payment in full: Provided, however, That the Owner shall promptly notify the Contractor in writing of the manner in which the amount retained, deducted, or claimed in liquidated damages was computed.

Section 3--Cumulative Remedies. Every right or remedy herein conferred upon or reserved to the Owner or the Government or the Administrator shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute and the pursuit of any right or remedy shall not be construed as an election: Provided, however, That the provisions of Section 2 of this Article V shall be the exclusive measure of damages for failure by the Contractor to complete the construction of the Project within the time herein agreed upon.

ARTICLE VI--MISCELLANEOUS

Section 1--Patent Infringement. The Contractor will save harmless and indemnify the Owner from any and all claims, suits, and proceedings for the infringement of any patent or patents covering any equipment used in the work.

Section 2--Permits for Explosives. All permits for the handling or use of dynamite or other explosives in connection with the construction of the Project shall be obtained by and at the expense of the Contractor.

Section 3--Compliance with Statutes and Regulations. The Contractor will comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulations issued pursuant thereto, and Section 35 of the United States Criminal Code, as amended. The Contractor understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of Governmental agencies having jurisdiction in the premises.

Section 4--Discrimination against Employees. The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin.

Section 5--Franchises and Rights-of-way. The Contractor will be under no obligation to obtain or assist in obtaining any franchises, authorizations, permits, or approvals required to be obtained by the Owner from Federal, State, County, municipal or other authority; any rights-of-way over private lands or any agreements between the Owner and third parties with respect to the joint use of poles, crossings or any other matter incident to the construction and operation of the Project.

Section 6--Nonassignment of Contract. The Contractor will not assign the Contract effected by an acceptance of this Proposal or any part thereof or enter into any contract with any person, firm or corporation for the performance of the Contractor's obligations thereunder, or any part thereof, without the approval in writing of the Owner and the Administrator.

Section 7--Completion. The term "Completion" shall mean full performance by the Contractor of the Contractor's obligations hereunder. A certificate of Completion, stating the date of completion,

signed by the Engineer shall be the sole and conclusive evidence as to the fact of completion and the date thereof. Portions of the Project shall be deemed to be complete within the meaning of this provision when they have been completely erected and have been inspected and accepted in writing by the Engineer on behalf of the Owner. Thereafter such completed Sections may be energized in accordance with the provisions of Article IV, Section 5, at which time the Contractor's liability for maintaining them will cease.

Section 8--The term "Engineer" shall mean the firm or individual designated by the Owner to act in that capacity. The Owner will notify the Contractor in writing of the designation of the Engineer at the time of acceptance of this Proposal.

Section 9--Extension to Successors and Assigns. Each and all of the covenants and agreements contained in the Contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

Section 10--Approval by the Administrator. No acceptance of this Proposal shall become effective until approved, in writing, by the Administrator.

Section 11--The term "Administrator" as used herein shall mean the Administrator of the Rural Electrification Administration of the United States of America and his duly authorized representatives or any other person in whom or authority in which may be vested the duties and functions which the Administrator is now authorized by law to perform.

(Contractor)

By _____

(President)

(Address)

ATTEST:

(Secretary)

Date _____

SECTION 1--POLE UNITS (kind)

263685 0—53—2

POLE-TOP ASSEMBLY UNITS

SECTION A

SECTION B

SECTION C

[illegible]

SECTION D--CONDUCTOR ASSEMBLY UNITS

[illegible]

SECTION E--GUY ASSEMBLY UNITS

[illegible]

SECTION F--ANCHOR ASSEMBLY UNITS

[illegible]

SECTION G--TRANSFORMER ASSEMBLY UNITS

[illegible]

CONDITIONS OF ENERGIZATION OF EXISTING LINES UNDER WHICH WORK UNDER SECTIONS
H, I, AND N OF CONTRACTOR'S PROPOSAL SHALL BE PERFORMED

Line Section (To Be Designated by Point-to-point Description of Detail Map)	Hours and Days of Week When Lines Will Be Deenergized To Permit Line Changes

The Bidder will so plan and perform its work on the above lines that it will be possible for the Owner to safely reenergize all lines involved at the expiration of the time limits set up in the above schedule to resume service to all consumers being served prior to deenergization. Prior to commencement of work each day on lines to be deenergized, the Bidder will notify the Owner in writing thereof, designating the lines to be deenergized, and upon receipt of such notice, the Owner will deenergize such lines. Upon completion of work each day on such deenergized lines, the Bidder will notify the Owner thereof in writing or in such other manner as the circumstances permit designating the lines to be reenergized and stating that such lines may be safely reenergized and upon receipt of such notice, the Owner will reenergize such lines.

LINE CHANGES

SECTION H--CONVERSION ASSEMBLY UNITS

[illegible]

In first column show Prefix H, then new converted Assembly Unit, then Existing Unit.

*The Conversion Unit includes the labor of removing the material that is not to be left in place from the existing unit and transporting this material to the point where it may be used by the Contractor in constructing other units or to the warehouse or other place in the project area designated by the Owner.

LINE CHANGES

SECTION I--REMOVAL ASSEMBLY UNITS

[illegible]

*The Removal Unit includes the labor of removing the Existing Unit and transporting the materials contained therein to the point where they may be used by the Contractor in constructing other units or to the Owner's warehouse.

SECTION J--SECONDARY ASSEMBLY UNITS

[illegible]

SECTION K--SERVICE ASSEMBLY UNITS

[illegible]

SECTION M--MISCELLANEOUS ASSEMBLY UNITS

[illegible]

SECTION N--NEW ASSEMBLY UNITS*

*This section lists complete new units of construction when such units are to be added to existing lines or installed in replacing lines.

SECTION R--RIGHT-OF-WAY CLEARING UNITS

Unit No.	Unit Labor Price
R1-10R	\$
R1-20R	
R1-30R	
R1-40R	

SECTION S--SUBSTATION ASSEMBLY UNITS

Unit No.	Unit Labor Price
S	\$
S	
S	
S	

The undersigned hereby accepts the foregoing Proposal of _____

_____ ,

Dated _____, to construct Rural Electrification

Project _____.

(Owner)

By _____
(President)

ATTEST:

(Secretary)

Date _____

CONTRACTOR'S BOND

1. Know all men that we, _____,
as Principal, and _____,
as Surety, are held and firmly bound unto _____
(hereinafter called the "Owner") and unto the United States of America (hereinafter called the "Government") and unto all persons, firms, and corporations who or which may furnish or perform labor on a
Rural Electrification Project known as Project _____

and to their successors and assigns, in the penal sum of _____
dollars (\$ _____), as hereinafter set forth and for the payment of which sum well and truly to be
made we bind ourselves, our executors, administrators, successors, and assigns jointly and severally by
these presents. Said Project is described in a certain construction contract (hereinafter called the "Construction Contract") between the Owner and the Principal, dated _____, 19____,
pursuant and subject to a certain loan contract (hereinafter called the "Loan Contract") between the
Owner and the Government, acting through the Administrator of the Rural Electrification Administration
(hereinafter called the "Administrator"), dated _____, 19____

2. The condition of this obligation is such that if the Principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of the Construction Contract and any amendments thereto, whether such amendments are for additions, decreases, or changes in materials, their quantity, kind, labor costs, mileage, routing, or any other purpose whatsoever, and whether such amendments are made with or without notice to the Surety, and shall fully indemnify and save harmless the Owner and the Government from all costs and damages which they, or either of them, shall suffer or incur by reason of any failure so to do, and shall fully reimburse and repay the Owner and the Government for all outlay and expense which they, or either of them shall incur in making good any such failure of performance on the part of the Principal, and shall promptly make payment to all persons working on or supplying labor for use in the construction of the Project contemplated in the Construction Contract and any amendments thereto, and shall well and truly reimburse the Owner and the Government, as their respective interests may appear, for any excess in cost of construction of said Project over the cost of such construction as provided in the Construction Contract and any amendments thereto, occasioned by any default of the Principal under the Construction Contract and any amendments thereto, then this obligation shall be null and void, but otherwise shall remain in full force and effect.

3. It is expressly agreed that this bond shall be deemed amended automatically and immediately, without formal and separate amendment thereto, upon any amendment to the Construction, so as to bind the Principal and the Surety to the full and faithful performance of the Construction Contract as so amended, provided only that the total amount of all increases in the cost of construction shall not exceed twenty (20) percent of the amount of the maximum price set forth in the Construction Contract. The term "Amendment," wherever used in this bond, and whether referring to this bond, the Construction Contract, or the Loan Contract, shall include any alteration, addition, extension, modification, amendment, rescission, waiver, release, or annulment, of any character whatsoever.

4. It is expressly agreed that any amendment which may be made by agreement or otherwise between the Principal and the Owner in the terms, provisions, covenants, and conditions of the Construction Contract, or in the terms, provisions, covenants, and conditions of the Loan Contract (including, without limitation, the granting by the Administrator to the Owner of any extension of time for the performance of the obligations of the Owner under the Loan Contract or the granting by the Administrator or the Owner to the Principal of any extension of time for the performance of the obligations of the Principal under the Construction Contract, or the failure or refusal of the Administrator or the Owner to take any action, proceeding, or step to enforce any remedy or exercise any right under either the Construction Contract or the Loan Contract, or the taking of any action, proceeding, or step by the Administrator or the Owner, acting in good faith upon the belief that the same is permitted by the provisions of the Construction Contract or the Loan Contract) shall not in any way release the Principal and the Surety, or either of them, or their respective executors, administrators, successors, or assigns, from liability thereunder. The Surety hereby acknowledges receipt of notice of any amendment, indulgence, or forbearance, made, granted, or permitted.

5. This bond is made for the benefit of all persons, firms and corporations who or which may furnish or perform any labor for or on account of the construction to be performed under the Construction Contract and any amendments thereto, and they, and each of them, are hereby made obligees hereunder with the same force and effect as if their names were written herein as such, and they and each of them may sue hereon.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed and their respective corporate seals to be affixed and attested by their duly authorized representatives this _____ day of _____, 19____

ATTEST:

(Secretary)

ATTEST:

(Secretary)

(Principal)

By _____

(Surety)

By _____

By _____
(Resident Agent of Surety)

(The Contractor's Bond must be signed with the full name of the Contractor. If the Contractor is a partnership the Contractor's Bond must be signed in the partnership name by each partner. If the Contractor is a corporation the Contractor's Bond must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the corporation. A typewritten copy of all such names and signatures shall be appended. The Contractor's Bond must be accompanied by a power of attorney authorizing execution on behalf of the Surety and, in jurisdictions so requiring should be countersigned by a duly authorized resident agent of the Surety.)

